

MINUTES
Crested Butte Town Council
Regular Council Meeting
June 4, 2012
Council Chambers, Crested Butte Town Hall

Mayor Aaron Huckstep called the meeting to order at 7:02 p.m. Councilmembers present: Glenn Michel, Roland Mason, David Owen, Jim Schmidt, Shaun Matuszewicz and John Wirsing. Staff Present: Town Manager Susan Parker, Town Clerk Eileen Hughes, Town Attorney John Belkin, Building and Zoning Director Bob Gillie (for part of the meeting), and Town Planner John Hess (for part of the meeting).

APPROVAL OF AGENDA

Mayor Huckstep asked Council to amend the agenda by moving the special event permit for the KBUT Fish Fry to the Consent Agenda and by adding an executive session at the end of the meeting to receive legal advice from the Town Attorney.

Schmidt moved and Matuszewicz seconded to approve the agenda with the amendments proposed by Mayor Huckstep. A roll call vote was taken with all present voting "Yes." **Motion passed unanimously** (Wirsing temporarily absent).

CONSENT AGENDA

- A) Approval of Minutes of May 21, 2012 Regular Council Meeting.
- B) Special Event Permit – Rocky Mountain Biological Laboratory – 44th Annual Gothic to Crested Butte 1/3 Marathon – 8 a.m. to 10:30 a.m. July 4, 2012 on Town Streets.
- C) Special Event Permit – KBUT 90.3 FM – Friday Night Fish Fry – 4 p.m. to 8 p.m. on July 20, 2102 in Crank's Plaza.

Matuszewicz moved and Owen seconded to approve the Consent Agenda. A roll call vote was taken with all voting "Yes." **Motion passed unanimously.**

PUBLIC COMMENTS None

Mayor Huckstep noted that State Representative Millie Hammond planned to attend the Council meeting, but called him and said she would not make it.

STAFF UPDATES

John Hess:

- Noted that an educational flyer about noxious weeds was included in the Council packets. The flyer will be distributed to residences in Town.
- He recently met with Public Works Director Rodney Due and Parks and Recreation Director Jake Jones regarding the update of the County Hazard Mitigation Plan. Public meetings will be held in Gunnison and Crested Butte this week.
- The annual statewide housing conference will be held October 8 and 9, 2012 in Vail.

Eileen Hughes:

- One hundred fifty-six people have signed up to receive the Town's e-alert notices.

- She will bring a proposal to Council at the June 18 meeting regarding the subdivision of selected lots at the cemetery. A PSA will be in the newspaper about the proposal and an information will be posted on the Town website. She wants to ensure that the public is aware of the proposal. She will also be giving Council an update on the cemetery at the June 18 meeting.
- The Clerk's document imaging scanning project is set to go and the company that will be doing the project will be picking up about 16 boxes of documents later this week.
- Staff has issued a temporary liquor license for the Forest Queen. A license transfer will come before the Council in July.

PUBLIC HEARINGS

A) Special Event Permit – Center for the Arts – Richie Furay Band – 6:30 p.m. to 8:30 p.m. on July 6, 2012 at Town Park.

Mayor Huckstep confirmed with the Town Clerk that proper public notice of the public hearing was given. Mayor Huckstep noted that no one was present to represent the Center for the Arts. Town Clerk Eileen Hughes said applicants are advised that a representative should attend the Council meeting. Hughes recommended approval of the application noting that the event is very similar to the Alpenglow concerts. Mayor Huckstep opened the public hearing. There were no public comments. Mayor Huckstep closed the public hearing.

Matusiewicz moved and Schmidt seconded to approve the special event application for the Center for the Arts Richard Furay Band on July 6, 2012 at Town Park contingent upon proper proof of insurance being submitted prior to the event. A roll call vote was taken with all voting "Yes."

Motion passed unanimously.

B) Special Event Liquor License – Center for the Arts – Richie Furay Band – 4 p.m. to 10 p.m. on July 6, 2012 at Town Park.

Mayor Huckstep confirmed with the Town Clerk that proper public notice of the public hearing was given. Mayor Huckstep opened the public hearing. There were no public comments. Mayor Huckstep closed the public hearing.

Matusiewicz moved and Schmidt seconded to approve the special event application for the Center for the Arts Richard Furay Band on July 6, 2012 at Town Park. A roll call vote was taken with all voting "Yes." **Motion passed unanimously.**

C) Special Event Liquor License – KBUT 90.3FM – Friday Night Fish Fry – 4 p.m. to 8:30 p.m. on July 20, 2012.

Mayor Huckstep confirmed with the Town Clerk that proper public notice of the public hearing was given. Mayor Huckstep opened the public hearing. There were no public comments. Mayor Huckstep closed the public hearing.

Schmidt moved and Mason seconded to approve KBUT's special event liquor license application for July 20, 2012 from 4 p.m. to 8:30 p.m. in Crank's Plaza. A roll call vote was taken with all voting "Yes." **Motion passed unanimously.**

Note: The meeting was running ahead of schedule so Council considered several agenda items under New Business before holding the public hearing on Ordinance No. 19. These minutes, however, reflect items in the order they appeared on the agenda.

E) Ordinance 19, Series 2011- An Ordinance Amending And Replacing The Town's Resident-Occupied Affordable Housing Requirements Contained In Chapter 16, Article 21 Of The Crested Butte Municipal Code And Amending The Resident-Occupied Affordable Housing Payments-In-Lieu Contained In Appendix A To The Code.

Mayor Huckstep read the title of the ordinance and confirmed with the Town Clerk that proper public notice of the public hearing was given. Town Planner John Hess reviewed key points contained in Ordinance No. 19 as well as the Guidelines and Administrative Procedures associated with the ordinance, as outlined in Hess's two page summary distributed to Council.

Council asked a few questions during Hess's summary and one Council member pointed out that Town buildings are exempt from resident-occupied affordable housing (ROAH) mitigation requirements. Hess explained that the Town will be exempt from the regulations because the Town has produced affordable housing in the past and plans to do so in the future.

Mayor Huckstep opened the public hearing.

Crested Butte resident Margot Levy, chair of the Town's Affordable Housing Committee, urged Council to approve Ordinance No. 19, Series 2011, as well as the Guidelines and Administrative Procedures associated with the ordinance. Levy said she agrees with a local resident who recently told her he wants to live on a block with neighbors not visitors. Levy said even though developers have told the Council the ordinance spells disaster she believes the ordinance will not destroy the Town's economy any more than the stove ordinance or the sign ordinance. Levy said the ordinance asks commercial developers to address only 10 to 20 percent of the housing needs they generate and the rest falls on the public.

Gary Hartman, a principal with Sunlit Architecture, said he agrees with the philosophy of Ordinance 19, but the timing is wrong. Hartman said the ordinance fosters a stagnant economy. Hartman noted that a report from a Town staff member pointed out that a commercial development is not economically feasible in Crested Butte right now even without ROAH mitigation. Hartman asked Council to consider a mitigation rate of 5 percent. Hartman also asked Council to place a sunset on the ordinance with a one year or two year review, which he said gives the Council the flexibility to raise or lower the mitigation rate depending on the economy. Hartman also said affordable housing is a community issue and pointed out that locals can live in Mt. Crested Butte or Buckhorn.

Crested Butte resident Jim Starr said the issue is will Crested Butte continue to be a real community or will it become a community of second home owners. Starr said Council is headed

in the wrong direction by considering a ROAH mitigation rate as low as 10 percent. Starr said the fees being considered are "incredibly low" and mean that taxpayers will be picking up 90 percent of the impacts caused by development. Starr said he understands that growth is needed, but this is not growth paying its own way.

Crested Butte resident Bruce Eckel said he's noticed a lot of empty storefronts on Elk Avenue. Eckel said the Town needs to promote more affordable housing.

Crested Butte resident and business owner, Arvin Ram, said building is a limited endeavor in Crested Butte and that tourism will continue, regardless. Ram said some people ask why not take advantage of affordable housing in Pitchfork or in Crested Butte South. Ram said he lives in Crested Butte and the community is worth preserving with local housing. Ram said the direction the Council has chosen to go with ROAH regulations has sacrificed for the short term and is not addressing the long term.

Crested Butte resident Susan Eschew spoke in favor of affordable housing to accommodate the work force as well as older people.

Mayor Huckstep closed the public hearing.

Council Discussion:

Council expressed a range of opinions on the topic. Three councilmembers said the mitigation rates as proposed in Ordinance 19 were too low and said a higher base ROAH mitigation rate, such as 25 percent, would be better. They said the issue is essentially about maintaining a community in Crested Butte. One councilmember in this camp said the proposed starting mitigation rate of 10 percent is 85 percent less than the current rate, which was approved a year ago.

Two councilmembers expressed support for Ordinance 19, as proposed, with a starting mitigation rate of 10 percent. One councilmember member characterized a 10 percent mitigation rate as a good incentive to help growth occur over the years.

Two councilmembers said the mitigation rates proposed in Ordinance 19 were too high and with the current poor economy now is not the time to raise fees. One councilmember noted that the proposed ROAH payment-in-lieu fee is 12 times higher than it was a little over a year ago and he said if fees are too high no commercial building will occur and no payment-in-lieu of providing affordable housing fees will be made. Councilmembers who said the proposed mitigation rates were too high also said they disagree with the concept that the general public is forced to subsidize the remainder of the ROAH mitigation not covered by commercial development.

One councilmember on each end of the spectrum regarding mitigation rates indicated a willingness to compromise their positions so Ordinance 19 could move forward.

Matusiewicz moved and Michel seconded to approve Ordinance 19, Series 2011. A roll call vote was taken with Mason, Owen, Matusiewicz, Michel and Schmidt voting "Yes" and Wirsing and Huckstep voting "No." **Motion passed 5-2.**

Mayor Huckstep noted for the record that Council received e-mails from Chad Reich and Bill Coburn regarding Ordinance No. 19.

F) Ordinance No. 6, Series 2012- An Ordinance Adopting The Guidelines, Rules And Requirements Governing Resident-Occupied Affordable Housing In The Town Of Crested Butte.

Mayor Huckstep read the title of ordinance and confirmed with the Town Clerk that proper public notice of the public hearing was given. Mayor Huckstep opened the public hearing.

Crested Butte resident Margot Levy urged Council to approve Ordinance No. 6, Series 2012. Levy said the ordinance embodies the provisions of Ordinance 19, Series 2011.

Mayor Huckstep closed the public hearing.

Schmidt moved and Michel seconded to approve Ordinance No. 6 Series 2012. A roll call vote was taken with all voting "Yes." **Motion passed unanimously.**

OLD BUSINESS

A) Resolution No. 5, Series 2012- A Resolution Adopting The Crested Butte Resident-Occupied Affordable Housing Administrative Procedures Addressing The Implementing Of Chapter 16, Article 21 Of The Crested Butte Municipal Code.

Mayor Huckstep read the title of the resolution. There was no discussion.

Schmidt moved and Matusiewicz seconded to approve Resolution No. 5, Series 2012. A roll call vote was taken with all voting "Yes." **Motion passed unanimously.**

NEW BUSINESS

A) Intergovernmental Agreement Establishing the Gunnison Valley Regional Housing Authority.

Town Manager Susan Parker recommended that Council execute the agreement establishing the Gunnison Valley Regional Housing Authority with minor typographical corrections and contingent upon approval by all 4 entities (i.e. City of Gunnison, Gunnison County, Mt. Crested Butte and the Town of Crested Butte).

Town Planner John Hess reported that the City of Gunnison is okay with the agreement, but did not want to be the first entity to sign. Council asked staff to provide Council with objectives and efficiencies of the Regional Housing Authority when the information becomes available.

Owen moved and Matusiewicz seconded to approve the Intergovernmental Agreement Establishing the Gunnison Valley Regional Housing Authority with minor typographical corrections and contingent upon all four entities approving the agreement and authorizing the

Mayor to sign the agreement. A roll call vote was taken with all voting "Yes." **Motion passed unanimously.**

B) Follow Up Signage Request Sea Level Spa.

Mayor Huckstep explained that the recommendation outlined in a staff memo from Building Assistant Jessie Early to amend the sign ordinance will effectively allow a projecting sign on different sections of a building if the sections are architecturally distinct. Council asked if the proposed amendment would allow more than one projecting sign on a building, such as, the Grubstake. Building and Zoning Director Bob Gillie said multiple projecting signs would not be allowed on the Grubstake building under the proposed amendments. Council asked if different façade colors will be interpreted as architecturally distinct. Gillie said different paint colors would not trigger the allowance for more projecting signs, but distinct architectural features and roof sizes would.

Council directed staff to amend the sign ordinance as recommended in the staff report on the topic.

C) Request From The Lobar To Amend Sidewalk Seating Rules.

Mayor Huckstep noted the staff report from Building and Zoning Director Bob Gillie, which recommends that Council not approve sidewalk seating for the Lobar this summer, but wait and see how the Lobar's newly approved outdoor seating adjacent to the building works out before considering the request for sidewalk seating on Elk Avenue.

Lobar owner, Kyleena Falzone, explained that ownership of the building where her business is located is changing hands soon and the new owner is supportive of sidewalk seating along Elk Avenue, whereas the current owner is not supportive. Falzone stressed how important sidewalk seating on Elk Avenue will be to her business and said it will allow her to tie in the seating to the deck along the side of the building. Falzone asked Council to change the rule set to allow her to locate a few tables on Elk Avenue and suggested that the rules be revised to allow underground restaurants without Elk Avenue frontage to be allowed to have sidewalk seating. She asked Council not to make her wait until next year for a decision. Falzone said she prefers to have seating on both the side of the building and on the Elk Avenue sidewalk, but is willing to remove the decking along the side of the building if she can locate seating in front.

Three councilmembers indicated support for allowing three tables in front of the building. One councilmember cautioned about creating legislation for a specific business. Council indicated a willingness to consider the Lobar's request once the sale of the property is finalized. Council also asked Falzone to ask the new owner of the building to send the Town an e-mail stating that he supports sidewalk seating in front of the building.

LEGAL MATTERS

John Belkin:

- He is working on a vested rights agreement for the Sixth Street Station project.

- He is working with staff on the Gunnison County Electric Association Franchise Agreement.

OTHER BUSINESS

a) Discussion regarding cancelling or changing the date of the July 2, 2012 regular Council meeting.

Council briefly discussed the topic and decided that instead of changing the dates of the two regular Council meetings in July that it would be best to reschedule the Monday July 2 meeting to Tuesday July 3, 2012.

Schmidt moved and Michel seconded to reschedule the July 2, 2012 regular Council meeting to July 3, 2012. A roll call vote was taken with all voting "Yes." **Motion passed unanimously.**

COUNCIL REPORTS AND COMMITTEE UPDATES

David Owen:

- Attended a Region 10 meeting. Micro loans are available for local businesses. There was discussion at the meeting how the Stronger Economies Together program and the Governor's "TBD" economic program will work together.

Roland Mason:

- Mt. Express ordered a small bus. Ridership was down by 8 percent last winter. The Snodgrass Trailhead route that was initiated last year will continue this summer. Mt. Express will try it again and see how it goes because ridership has not been that great.

Shaun Matusiewicz:

- He recently attended a Tourism Association (TA) retreat. He did not think the retreat was valuable.
- He's not happy that the TA sent out an e-mail blast announcing the early opening of the mountain bike trails, but included a photo of road biking.

Jim Schmidt:

- The second phase of the Lupine trail was built on Saturday June 2. Close to 200 people volunteered, which is a record number. The Crested Butte Mountain Biking Association is very organized.

Aaron Huckstep:

- He received a letter of request from the TA for a letter of support for the producers of a film about single track mountain biking. Council said it was okay for the Mayor to sign a letter of support.
- He recently spoke with someone about the lack of conference space in town.
- Noted a letter he received from the University of North Dakota asking the Town to participate in a survey about climate change. The letter was referred to staff for follow up.
- Reported that Council received an email from Crested Butte resident Chris Haver about poor cell phone coverage and if the Town is willing to allow a cell phone tower to be installed on a Town building. Parker said the Town will need to do some research first because there are

FCC regulations etc. that come into play. Parker said perhaps she can ask Gunnison resident Jason Swenson , who is familiar with telecommunications, to speak to Council.

- He recently met with Dan Marshal, the new executive director of the Crested Butte/Mt. Crested Butte Chamber of Commerce. Huckstep relayed that Marshal is trying to "rebuild" the Chamber.
- Plans for the USA Pro-Challenge event are coming along.
- The Rural Transportation Authority (RTA) is asking municipalities for funding. Parker said the Town should receive a formal request for funding from the RTA before taking action.

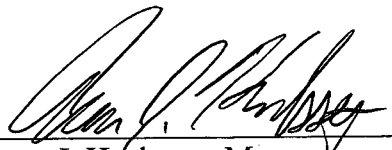
EXECUTIVE SESSION

For A Conference With The Town Attorney For The Purpose Of Receiving Legal Advice On Specific Legal Questions Under C.R.S. Section 24-6-402(4) (b).

Schmidt moved and Michel seconded to go into executive session for the purpose of receiving legal advice on specific legal questions under C.R.S. Section 24-6-402(4) (b). A roll call vote was taken with all present voting "Yes." **Motion passed unanimously.**

Council went into executive session at 10:15 p.m. and returned to the open meeting at 11:20. Mayor Huckstep made the required announcement upon returning to the open meeting. No action was taken

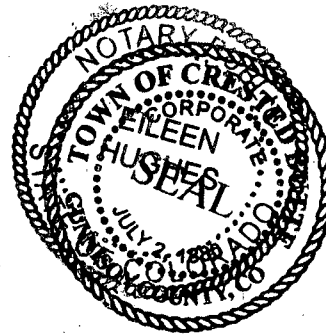
Mayor Huckstep adjourned the meeting at 11:20 p.m.



Aaron J. Huckstep, Mayor



Eileen Hughes, Town Clerk



(SEAL)

